

### ***Caution: DRAFT FORM***

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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**SCHEDULE C  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

Name of proprietor

**Profit or Loss From Business**  
(Sole Proprietorship)

► Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.

► Attach to Form 1040 or 1041. ► See Instructions for Schedule C (Form 1040).

OMB No. 1545-0074

**2003**

Attachment  
Sequence No. **09**

<p><b>A</b> Principal business or profession, including product or service (see page C-1 of the instructions)</p>	<p><b>B</b> Enter code from pages C-7, 8, &amp; 9</p>
<p><b>C</b> Business name. If no separate business name, leave blank.</p>	<p><b>D</b> Employer ID number (EIN), if any</p>
<p><b>E</b> Business address (including suite or room no.) _____ City, town or post office, state, and ZIP code _____</p>	
<p><b>F</b> Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____</p>	
<p><b>G</b> Did you "materially participate" in the operation of this business during 2003? If "No," see page C-3 for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p><b>H</b> If you started or acquired this business during 2003, check here <input type="checkbox"/></p>	

**Part I Income**

1 Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-3 and check here <input type="checkbox"/>	1		
2 Returns and allowances	2		
3 Subtract line 2 from line 1	3		
4 Cost of goods sold (from line 42 on page 2)	4		
5 <b>Gross profit.</b> Subtract line 4 from line 3	5		
6 Other income, including Federal and state gasoline or fuel tax credit or refund (see page C-3)	6		
7 <b>Gross income.</b> Add lines 5 and 6	7		

**Part II Expenses.** Enter expenses for business use of your home **only** on line 30.

8 Advertising	8			19 Pension and profit-sharing plans	19		
9 Car and truck expenses (see page C-3)	9			20 Rent or lease (see page C-5):			
10 Commissions and fees	10			a Vehicles, machinery, and equipment	20a		
11 Contract labor (see page C-4)	11			b Other business property	20b		
12 Depletion	12			21 Repairs and maintenance	21		
13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)	13			22 Supplies (not included in Part III)	22		
14 Employee benefit programs (other than on line 19)	14			23 Taxes and licenses	23		
15 Insurance (other than health)	15			24 Travel, meals and entertainment:			
16 Interest:				a Travel	24a		
a Mortgage (paid to banks, etc.)	16a			b Meals and entertainment			
b Other	16b			c Enter nondeductible amount included on line 24b (see page C-5)			
17 Legal and professional services	17			d Subtract line 24c from line 24b	24d		
18 Office expense	18			25 Utilities	25		
28 <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27 in columns				26 Wages (less employment credits)	26		
29 Tentative profit (loss). Subtract line 28 from line 7				27 Other expenses (from line 48 on page 2)	27		
30 Expenses for business use of your home. Attach <b>Form 8829</b>				28	28		
31 <b>Net profit or (loss).</b> Subtract line 30 from line 29.				29	29		
• If a profit, enter on <b>Form 1040, line 12</b> , and also on <b>Schedule SE, line 2</b> (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3.				30	30		
• If a loss, you <b>must</b> go to line 32.				31	31		
32 If you have a loss, check the box that describes your investment in this activity (see page C-6).							
• If you checked 32a, enter the loss on <b>Form 1040, line 12</b> , and also on <b>Schedule SE, line 2</b> (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3.							
• If you checked 32b, you <b>must</b> attach <b>Form 6198</b> .							
				32a <input type="checkbox"/> All investment is at risk.			
				32b <input type="checkbox"/> Some investment is not at risk.			

**Part III Cost of Goods Sold** (see page C-6)

<b>33</b>	Method(s) used to value closing inventory:	<b>a</b> <input type="checkbox"/> Cost	<b>b</b> <input type="checkbox"/> Lower of cost or market	<b>c</b> <input type="checkbox"/> Other (attach explanation)
<b>34</b>	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . .			<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>35</b>	Inventory at beginning of year. If different from last year's closing inventory, attach explanation . . . . .	<b>35</b>		
<b>36</b>	Purchases less cost of items withdrawn for personal use . . . . .	<b>36</b>		
<b>37</b>	Cost of labor. Do not include any amounts paid to yourself . . . . .	<b>37</b>		
<b>38</b>	Materials and supplies . . . . .	<b>38</b>		
<b>39</b>	Other costs . . . . .	<b>39</b>		
<b>40</b>	Add lines 35 through 39 . . . . .	<b>40</b>		
<b>41</b>	Inventory at end of year . . . . .	<b>41</b>		
<b>42</b>	<b>Cost of goods sold.</b> Subtract line 41 from line 40. Enter the result here and on page 1, line 4 . . . . .	<b>42</b>		

**Part IV Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-4 to find out if you must file Form 4562.

**43** When did you place your vehicle in service for business purposes? (month, day, year) ▶ ...../...../.....

**44** Of the total number of miles you drove your vehicle during 2003, enter the number of miles you used your vehicle for:

**a** Business ..... **b** Commuting ..... **c** Other .....

**45** Do you (or your spouse) have another vehicle available for personal use? . . . . . ☐ Yes ☐ No

**46** Was your vehicle available for personal use during off-duty hours? . . . . . ☐ Yes ☐ No

**47a** Do you have evidence to support your deduction? . . . . . ☐ Yes ☐ No

**b** If "Yes," is the evidence written? . . . . . ☐ Yes ☐ No

**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

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<b>48 Total other expenses.</b> Enter here and on page 1, line 27 . . . . .	<b>48</b>	

